

ORIGINAL

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APR 15 2011

Benyam and Paula R. Mulugeta  
1025 Harker Ave.  
Palo Alto, Ca. 94301  
Tel: 650-906-8012  
Email [bmulugeta1020@gmail.com](mailto:bmulugeta1020@gmail.com)

United States Bankruptcy Court  
San Jose, California

Debtors in Possession

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In Re:

Benyam and Paula R. Mulugeta

Case No. 09-51900 ASW  
CHAPTER 11

Debtors

APPLICATION TO EMPLOY REAL  
ESTATE BROKER

Judge: The Honorable A. Weissbrodt

**APPLICANTS**, Benyam and Paula R. Mulugeta (jointly "Debtors"), respectfully represent to the court and request as follows:

- 1- Applicants filed its Chapter 11 Petition on March 18, 2009
- 2- Among the assets of the Debtors' estate is property located at **240 E. O'Keefe St. (O'Keefe), East Palo Alto, Ca. 94303 APN 063-441-260** A 20 unit apartment complex.
- 3- The Applicants believes that it is in the best interests of the estate and the creditor that the Applicants employ a real estate agent to assist in the marketing and sale of the real property
- 4- Applicants have chosen Mr. Rodney Thompson, of TRI Commercial to represent the Applicants in the sale of the real property.
- 5- Filed herewith is a supporting Declaration of Mr. Rodney Thompson regarding the employment of TRI Commercial.
- 6- The general terms of the agreement between the Applicants (Debtors') and the proposed real estate firm are as follows:
  - A) The list price of the property located at 240 E. O'Keefe, East Palo Alto, Ca. 94303 will be \$2,400,000.00. (Exhibit 1)
  - B) The compensation sought by the proposed real estate agent is six percent (6%) of the gross sales price.
  - C) The period for the listing agreements is ~~April 6, 2011~~ <sup>MAY 1st 2011</sup> through October 6, 2011.
  - D) Any sale of the property and/or payment of commission are subject to approval by the United States Bankruptcy Court.
- 7- The proposed real estate agent has been informed and understands that no sale may be consummated until ample notice to all creditors, and an order from the Bankruptcy Court approved the sale obtained. Further, the proposed real estate broker understands that no commission will be paid without further order by the Bankruptcy Court.
- 8- The Applicants (Debtors') are informed, believes, and therefore alleges that the employment of TRI Commercial and Mr. Rodney Thompson, as the estate's real estate broker on the terms and conditions provided for herein is in the best interests of the estate.

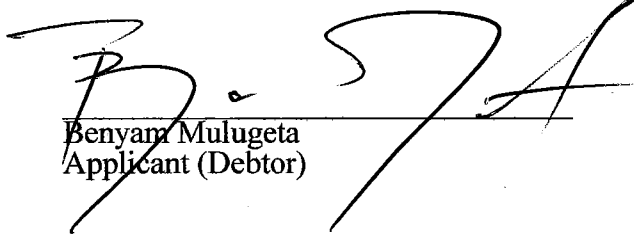
1 9- The Applicants (Debtors') are satisfied that TRI Commercial and Mr. Rodney Thompson  
2 are disinterested persons within the meaning of 11 U.S.C. Section 101 (14). Neither TRI  
3 Commercial nor Mr. Rodney Thompson has any connection whatsoever with the U.S.  
4 Trustee or any person employed in the office of the U.S. Trustee.

5 10- TRI Commercial and Mr. Rodney Thompson are aware of the provisions of 11 U.S.C.  
6 Section 328(a), and have agreed, notwithstanding the terms and conditions of  
7 employment herein, set forth, that the Court may allow compensation different from the  
8 compensation provided for in the terms and conditions of the employment agreement  
9 between Applicants (Debtors') and TRI Commercial and Mr. Rodney Thompson.

10 **WHEREFORE**, Applicants (Debtors') prays that it be authorized to employ TRI Commercial  
11 and Mr. Rodney Thompson as real estate agent on the terms and conditions set forth herein.

12 Dated: March 28, 2011

13 *Benyam Mulugeta*

14   
15 Benyam Mulugeta  
16 Applicant (Debtor)

240 OKeefe St, 94303

EXHIBIT 1

## Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Price					
For Sale & UC/Pending	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	1
Sold Transactions	\$2,450,000	\$2,502,500	\$2,502,500	\$2,555,000	2
Building Size					
For Sale & UC/Pending	19,360 SF	19,360 SF	19,360 SF	19,360 SF	1
Sold Transactions	20,774 SF	21,684 SF	21,684 SF	22,593 SF	2
Price per SF					
For Sale & UC/Pending	\$129.13	\$129.13	\$129.13	\$129.13	1
Sold Transactions	\$113.09	\$115.41	\$115.52	\$117.94	2
Actual Cap Rate					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	4.32%	5.13%	5.12%	5.91%	2
Gross Income Multiplier					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	9.65	11.56	12.12	14.58	2
Gross Rent Multiplier					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	9.76	11.64	12.17	14.58	2
# of Units					
For Sale & UC/Pending	20	20	20	20	1
Sold Transactions	16	19	19	22	2
Price per Unit					
For Sale & UC/Pending	\$125,000	\$125,000	\$125,000	\$125,000	1
Sold Transactions	\$116,136	\$131,711	\$134,630	\$153,125	2
Days on Market					
For Sale & UC/Pending	985	985	985	985	1
Sold Transactions	60	90	90	120	2
Sale Price to Asking Price Ratio					
Sold Transactions	-	-	-	-	-
Totals					
For Sale & UC/Pending	Asking Price Total:	\$2,500,000	Total For Sale Transactions:		1
Sold Transactions	Total Sales Volume:	\$5,005,000	Total Sales Transactions:		2
	Total Included in Analysis:	\$7,505,000	Total Included in Analysis:		3
Survey Criteria					
add/remove opportunities: - *This result set has been amended with criteria to add and/or remove records.					



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Debtors in Possession

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In Re:

Benyam and Paula R. Mulugeta

Case No. 09-51900 ASW  
CHAPTER 11

Debtors

DECLARATION IN SUPPORT OF APPLICATION  
TO EMPLOY REAL ESTATE BROKER

Judge: The Honorable A. Weissbrodt

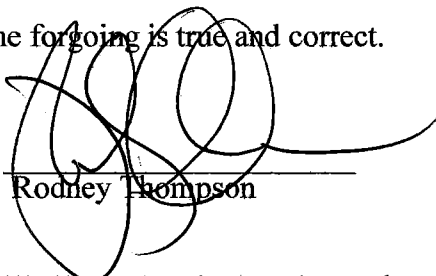
I, Rodney Thompson, hereby declare as follows:

- 1- I am a licensed real estate agent with TRI Commercial. My office is located at 1404 Franklin St. Oakland, Ca. 94612. My telephone number is 510-622-8433.
- 2- I am qualified to represent the estate of the Debtors as sellers of the property located at 240 E. O'Keefe, East Palo Alto, Ca. for the reasons stated herein.
- 3- The general terms of the agreement between the Debtors and TRI Commercial and I are as follows:
  - A) The list price of the property located at 240 E. O'Keefe, East Palo Alto, Ca. 94303 will be \$2,400,000.00.
  - B) The compensation sought by TRI Commercial and I is six percent (6%) of the gross sales price.
  - C) The period for the listing is ~~April 6, 2011~~ <sup>1st MAY 1st 2011</sup> through October ~~6, 2011~~ <sup>31, 2011</sup>
  - D) Any sale of the property and/or payment of commission is subject to approval by the United States Bankruptcy Court.
- 4- TRI Commercial and I are disinterested persons within the meaning of 11 U.S.C. Section 101(14) and have no connection whatsoever with the Debtors', the Debtors' creditors, the U.S. Trustee or any person employed in the office of the U.S. Trustee, the accountants for the Debtors and /or any other relative of the Debtors'. TRI Commercial and I am not now, nor have been business partners, associates, representatives or agents in the conduct of any business by the Debtors.
- 5- I have several years of experience in the selling of real property in the area where the subject property is located.
- 6- I have read the Debtors' Application, and agreed to accept said employment on the terms and conditions contained therein.
- 7- I understand that neither sale of the real property nor the payment of any commission to TRI Commercial or me may occur without an order being obtained by the United States Bankruptcy Court.

I DECLARE under the penalty of perjury that the foregoing is true and correct.

Dated: ~~March 28, 2011~~

*April 14 2011*

  
Rodney Thompson



## EXCLUSIVE AUTHORIZATION & RIGHT TO SELL

Trans Pacific Centre  
1000 Broadway, Suite 350  
Oakland, CA 94607

Tel 510.622.8400  
Fax 510.622.8499  
[www.tricommercial.com](http://www.tricommercial.com)

The undersigned Owner hereby appoints TRI Commercial Real Estate Services, Inc. its sole and exclusive Agent and hereby grants said Agent the exclusive and irrevocable right to sell the property ("the Property") located at 240 E. O'keefe City of East Palo Alto, County of San Mateo, State of California, which Property is improved as follows: Multi-Family, 20 units

The term of this Authorization shall be for a period commencing May 1, 2011 and terminating at midnight on October 31, 2011.

The terms upon which this Property may be sold, and which Owner agrees to accept, is the sum of: Two Million Four Hundred Thousand (\$2,400,000) Dollars lawful money of the United States of America, on the following terms: all cash or other terms acceptable to owner.

Owner also authorizes Agent to accept and hold a deposit from a prospective Buyer(s) for the Property. Any deposits retained by Owner, in case of non-performance by Buyer(s), shall be equally divided between Owner and Agent, except that Agent's portion thereof shall not exceed the compensation provided for herein.

1. In consideration of this Authorization, Agent agrees to utilize its best efforts and diligently pursue the procurement of a Buyer(s) to effectuate a sale of the Property. Owner agrees to pay Agent as compensation for services rendered a sum equal to 6 percent (6%) of the purchase price payable through escrow or otherwise at the close of the transaction when:

a. Agent procures a Buyer(s) during the term herein on the terms specified herein, or any other terms acceptable to Owner.

b. The Property is sold, exchanged, leased, or otherwise transferred during the term hereof, by Owner, or through any other source.

c. The Property is withdrawn from the sale, or if this Authorization is revoked during the term hereof, or if Owner otherwise prevents the performance hereunder by the Agent.

d. A sale, exchange, or other transfer of the Property is made within six (6) months after the termination of this Authorization to persons with whom Agent shall have negotiated or to whom the Property has been submitted during the term hereof and whose names the Agent shall have submitted in writing to Owner within twenty (20) days after termination of this Authorization.

e. If Owner elects to exchange the Property, the commission will be deemed earned on the basis of the exchange value attributed to the Property and shall otherwise be due and payable pursuant to the provisions hereof.

f. Agent shall be entitled to its commission in the event the ultimate purchaser is determined through an overbid or other bankruptcy procedure triggered by the marketing of the property during the term of this listing

2. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of his costs of suit, and not as damages, reasonable attorneys' fees to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs or attorneys' fees.

3. During the term of this Authorization or any extension hereof, Owner shall refer to the Agent any and all inquiries received by Owner from any source whatsoever, including other brokers, with respect to or concerning the Property or any part thereof, together with the name and address of the person or corporation making such inquiry. Agent shall promptly investigate each such inquiry as well as other offers and inquiries received by or directed to the Agent.




## EXCLUSIVE AUTHORIZATION & RIGHT TO SELL


Trans Pacific Centre  
1000 Broadway, Suite 350  
Oakland, CA 94607

Tel 510.622.8400  
Fax 510.622.8499  
www.tricommercial.com

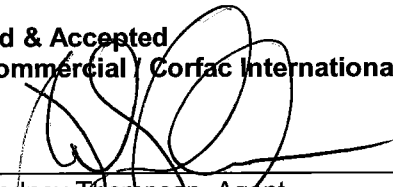
4. Agent is hereby authorized to place appropriate Real Estate signs on or adjacent to the Property and those shall be the only brokerage signs permitted by the Owner during the term of this Authorization or any extension hereof.
5. Owner agrees to pay all customary escrow, title and revenue charges and to execute such documents as may be necessary to affect the sale of the Property.
6. Owner warrants that Paula R & Benyam Mulugeta is the owner of record of the Property or has the legal authority to execute this Authorization. Owner agrees to hold Agent harmless from any liability or damages arising from any incorrect information supplied by Owner or any information which Owner fails to supply.
7. The Property is offered without regard to race, creed, color, sex, or national origin.
8. Owner acknowledges receipt of a copy of this Authorization which Owner has read and understands.

**Agreed & Accepted**  
**Owner: Paula R. Mulugeta and**  
**Benyam Mulugeta**

By:   
Paula R. Mulugeta  
Dated: 4-13-11

By:   
Benyam Mulugeta  
Dated: 4-15-11

**Agreed & Accepted**  
**TRI Commercial / Corfac International**

By:   
Rodney Thompson, Agent  
Dated: 4-15-11

Approved By: \_\_\_\_\_

Address: 1025 Harker Ave, Palo Alto CA 94612

Telephone: 650-906-8012